

#701-2

Correct

1/13/58

25X1

SECRET

January-February 1958

SB-8

# SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS  
AND FIELD PERSONNEL

SECRET

25X1

This document is part of an integrated  
file. If separated from the file it must be  
subjected to individual systematic review.

SECRET

25X1

SB-8

## LEGISLATION

The Congress reconvened on 7 January; however, some Congressional committees were hard at work prior to that time. Sputniks, missiles, and the general status of scientific developments will naturally be given priority consideration. However, another subject will also be given immediate treatment — Federal pay raises. Some bills were introduced on the first day of this session and, as indicated in previous bulletins, other bills were introduced in the first session.

Two separate articles are included in this issue of the bulletin on the subject of pay raises — one devoted to civilian pay raises and the other to military pay raises. Although it cannot be predicted what bills will succeed or what the increases will be, it is generally agreed that a pay increase for civilian and military personnel will become law during this session.

After weighing all of the factors, the Organization has decided not to submit any career benefit legislation, particularly in the field of retirement, to this session of the Congress.

## CIVILIAN PAY RAISES

This article highlights the main provisions of the Administration's pay plan and compares it with the one proposed by the Senate Civil Service Committee.

### ADMINISTRATION PLAN

The Administration plan calls for:

- a. An average increase of 6.4 percent for Classified employees.
- b. A new system of merit raises for outstanding Classified employees.
- c. Elimination of the present legal limit on so-called supergrade (GS-16 thru GS-18) jobs in Government.
- d. Elimination of the present limit on a special group of scientists and engi-

neers, hired outside the Classification Act, at salaries ranging from 12,000 dollars to 19,000 dollars.

e. Higher starting salaries for college graduates entering Government in the professional and managerial fields.

f. A new ceiling of 19,500 dollars on Classified pay — as a substitute for the present 16,000 dollars. (The 16,000 dollars is now the single rate for the handful of employees in Grade GS-18. Under the Administration's proposal, GS-18 would have four steps — 18,000 dollars, 18,500 dollars, 19,000 dollars and 19,500 dollars.)

One of the stated aims of the Administration's plan is to make Government careers more attractive to employees in the upper and middle brackets. Thus, it proposes a flat 6 percent increase for Classified workers in Grades GS-1 thru GS-10; 7.5 percent for those in GS-11 thru GS-14; and 12.5 percent in GS-15 thru GS-18.

Said one high Administration official:

"The proposal includes, as a primary objective, more adequate compensation for those whose present salaries are shown to be substantially less than salaries for non-Federal employment when compared with positions of similar responsibility.

"The proposed realignment of the Classified Act pay schedule affects particularly the middle and top bracket levels, which include the thousands of employees in the scientific, engineering, managerial, and other professional categories. . . .

"This realignment will establish greater intergrade differentials in the upper grades, thus eliminating as much as possible the compression which has occurred in those grades in recent years."

The new plan would make GS-7, instead of the present GS-5, the starting salary for college graduates in scientific, professional, and managerial jobs. The Civil Service Commission would determine which jobs started at GS-7.

SECRET

25X1

SECRET

25X1

SB-8

Administration officials, however, told members of Congress in a written statement explaining the new plan:

"This does not mean that the entry level for one profession will be fixed at GS-7 and the entry level for another at GS-5. Nor does it mean that all GS-5 jobs now filled thru the Federal Service Entrance Examination will be reclassified to and recruited at GS-7.

"Many of these GS-5 jobs are clerical, subprofessional, and semimanagerial rather than entry-level professional and managerial jobs, and upward classification of such jobs will not result. . . ."

Present starting pay in GS-5 is 3,570 dollars per year. Beginner scientists and engineers, however, are hired at the top step of GS-5, which is 4,480 dollars. After 6 months service, they advance automatically to the top step of GS-7, which is 5,335 dollars. Under the new plan, beginners in the scientific, professional, and managerial fields would be hired at 4,800 dollars, which is the proposed new bottom step of GS-7.

#### SENATE PLAN

The Senate plan differs with the Administration's plan in that it provides for:

- a. A flat across-the-board increase of 7.5 percent for all employees.
- b. A ceiling of 16,000 dollars on salaries with certain specified exceptions.
- c. A freeze on civilian employment during the calendar quarter beginning 1 October 1957, with some exceptions.
- d. Restrictions on appointments during succeeding calendar quarters, i.e., appointments may not be made to more than one third of the vacancies occurring during the preceding quarter, again with certain exceptions.

One amendment to the Senate Bill would make the increases retroactively effective to 1 October 1957. The chart on the opposite page sets forth the comparison between the present rates and the proposed changes in pay rates for classified employees.

#### TRAINING ENROLLMENT INCREASES

Organization employees are continuing to undertake more and more internal training in order to further their careers. In consequence, the Office of Training is offering more courses now than ever before.

Another indication of employees' desire for knowledge is the ever-increasing number of requests for external training. Out of 1200 requests received during 1957, 95 percent were approved, and the trainees are now increasing their qualifications for Organization work by study in new fields or by improving their efficiency in fields in which they had limited knowledge.

These people are building the Organization and will experience the great degree of satisfaction that only personal accomplishment can bring.

#### PROGRESS REPORT

The Language Development Program has completed a year of solid progress.

Results since 4 February 1957 can be summarized simply: Participation in the program ran high and still does; scores of people have set aside their prework and postwork hours for study and classwork; books, tapes, and laboratory facilities have been in such demand that additional facilities have had to be provided; some of the more unusual languages have been introduced into the program; the Language Qualifications Register, result of the tremendous response to the Language Data Record, is currently up-to-date; language proficiency tests for all languages on the awardable list have been scheduled for headquarters personnel whose eligibility for awards occurs during the period of 4 February to 30 June; and the first awards were granted for achievement of awardable levels of proficiency in specific languages.

SECRET

2

25X1

SECRET

25X1

SB-8

Classified salary table — Comparison between (a) present rates, (b) rates in Administration Bill, and (c) rates

Grade		Step						
		1	2	3	4	5	6	7
GS-1	Present rate.....	\$2,690	\$2,775	\$2,860	\$2,945	\$3,030	\$3,115	\$3,200
	Administration plan.....	2,855	2,945	3,035	3,125	3,215	3,305	3,395
	S. 734.....	2,890	2,980	3,070	3,160	3,250	3,340	3,430
	Difference 1.....	+35	+35	+35	+35	+35	+35	+35
GS-2	Present rate.....	2,960	3,045	3,130	3,215	3,300	3,385	3,470
	Administration plan.....	3,140	3,230	3,320	3,410	3,500	3,590	3,680
	S. 734.....	3,180	3,270	3,360	3,450	3,540	3,630	3,720
	Difference 1.....	+40	+40	+40	+40	+40	+40	+40
GS-3	Present rate.....	3,175	3,260	3,345	3,430	3,515	3,600	3,685
	Administration plan.....	3,370	3,460	3,550	3,640	3,730	3,820	3,910
	S. 734.....	3,415	3,505	3,595	3,685	3,775	3,865	3,955
	Difference 1.....	+45	+45	+45	+45	+45	+45	+45
GS-4	Present rate.....	3,415	3,500	3,585	3,670	3,755	3,840	3,925
	Administration plan.....	3,625	3,715	3,805	3,895	3,985	4,075	4,165
	S. 734.....	3,670	3,760	3,850	3,940	4,030	4,120	4,210
	Difference 1.....	+45	+45	+45	+45	+45	+45	+45
GS-5	Present rate.....	3,670	3,805	3,940	4,075	4,210	4,345	4,420
	Administration plan.....	3,895	4,040	4,185	4,330	4,475	4,620	4,765
	S. 734.....	3,945	4,090	4,235	4,380	4,525	4,670	4,815
	Difference 1.....	+50	+50	+50	+50	+50	+50	+50
GS-6	Present rate.....	4,080	4,215	4,350	4,485	4,620	4,755	4,890
	Administration plan.....	4,325	4,470	4,615	4,760	4,905	5,050	5,195
	S. 734.....	4,385	4,530	4,675	4,820	4,965	5,110	5,255
	Difference 1.....	+60	+60	+60	+60	+60	+60	+60
GS-7	Present rate.....	4,525	4,660	4,795	4,930	5,065	5,200	5,335
	Administration plan.....	4,800	4,945	5,090	5,235	5,380	5,525	5,670
	S. 734.....	4,865	5,010	5,155	5,300	5,445	5,590	5,735
	Difference 1.....	+65	+65	+65	+65	+65	+65	+65
GS-8	Present rate.....	4,970	5,105	5,240	5,375	5,510	5,645	5,780
	Administration plan.....	5,270	5,415	5,560	5,705	5,850	5,995	6,140
	S. 734.....	5,345	5,490	5,635	5,780	5,925	6,070	6,215
	Difference 1.....	+75	+75	+75	+75	+75	+75	+75
GS-9	Present rate.....	5,440	5,575	5,710	5,845	5,980	6,115	6,250
	Administration plan.....	5,770	5,915	6,060	6,205	6,350	6,495	6,640
	S. 734.....	5,850	5,995	6,140	6,285	6,430	6,575	6,720
	Difference 1.....	+80	+80	+80	+80	+80	+80	+80
GS-10	Present rate.....	\$5,915	\$6,050	\$6,185	\$6,320	\$6,455	\$6,590	\$6,725
	Administration plan.....	6,270	6,415	6,560	6,705	6,850	6,995	7,140
	S. 734.....	6,360	6,505	6,650	6,795	6,940	7,085	7,230
	Difference 1.....	+90	+90	+90	+90	+90	+90	+90
GS-11	Present rate.....	6,390	6,605	6,820	7,035	7,250	7,465	7,680
	Administration plan.....	6,880	7,110	7,340	7,570	7,800	8,030	8,260
	S. 734.....	6,870	7,100	7,330	7,560	7,790	8,020	8,250
	Difference 1.....	-10	-10	-10	-10	-10	-10	-10
GS-12	Present rate.....	7,570	7,785	8,000	8,215	8,430	8,645	8,860
	Administration plan.....	8,150	8,380	8,610	8,840	9,070	9,300	9,530
	S. 734.....	8,140	8,370	8,600	8,830	9,060	9,290	9,520
	Difference 1.....	-10	-10	-10	-10	-10	-10	-10
GS-13	Present rate.....	8,990	9,205	9,420	9,635	9,850	10,065	10,280
	Administration plan.....	9,675	9,905	10,135	10,365	10,595	10,825	11,050
	S. 734.....	9,750	10,000	10,250	10,500	10,750	11,000	11,250
	Difference 1.....	+75	+95	+115	+135	+155	+175	+195
GS-14	Present rate.....	10,320	10,535	10,750	10,965	11,180	11,395	11,610
	Administration plan.....	11,105	11,335	11,565	11,795	12,025	12,255	12,480
	S. 734.....	11,250	11,500	11,750	12,000	12,250	12,500	12,730
	Difference 1.....	+145	+165	+185	+205	+225	+245	+265
GS-15	Present rate.....	11,610	11,880	12,150	12,420	12,690	13,000	13,320
	Administration plan.....	13,000	13,425	13,850	14,275	14,700	15,125	15,550
	S. 734.....	12,600	12,900	13,200	13,500	13,800	14,100	14,420
	Difference 1.....	-400	-525	-650	-775	-900	-1,025	-1,150
GS-16	Present rate.....	12,900	13,115	13,330	13,545	13,760	14,000	14,220
	Administration plan.....	14,500	15,000	15,500	16,000	16,600	17,200	17,800
	S. 734.....	14,000	14,300	14,600	14,900	15,200	15,500	15,800
	Difference 1.....	-500	-700	-900	-1,100	-1,300	-1,500	-1,700
GS-17	Present rate.....	13,975	14,190	14,405	14,620	14,835	15,050	15,265
	Administration plan.....	16,000	16,500	17,000	17,500	18,000	18,500	19,000
	S. 734.....	15,500	15,800	16,100	16,400	16,700	17,000	17,300
	Difference 1.....	-500	-700	-900	-1,100	-1,300	-1,500	-1,700
GS-18	Present rate.....	16,000	18,500	19,000	19,500	20,000	20,500	21,000
	Administration plan.....	18,000	18,500	19,000	19,500	20,000	20,500	21,000
	S. 734.....	17,500	18,000	18,500	19,000	19,500	20,000	20,500
	Difference 1.....	-500	-1,000	-1,500	-2,000	-2,500	-3,000	-3,500

1 The amount by which the rates in the Senate Bill differ from those in the Administration Bill.

SECRET

3

25X1A

2/17/58 - Draft Recd but CEB not in

2/19/58 - In CEB's absence 1/8 w/ TBA a  
rather than delay further to  
spread columns.2/19/58-115  
Called  
+ Requested  
T.B.

SECRET

SB-8

25X1

Classified salary table—Comparison between (a) present rates, (b) rates in Administration Bill, and (c) rates in S. 734

<sup>1</sup> The amount by which the rates in the Senate Bill differ from those in the Administration Bill.

SECRET

3

25X1

SECRET

25X1

SB-8

## MILITARY PAY RAISES

The Administration has proposed a "fundamental" change in the military pay system which would give a large majority of men in uniform a minimum 6 percent pay raise.

A detailed plan to revamp existing pay rates of servicemen has been presented to Congress, basing compensation on merit and skill rather than length of service. Seven out of 10 members of the active forces would benefit.

The plan couples the recommendations of the salary study (made several months ago in the military), aimed at keeping skilled leaders and technicians in service, with a 6 percent cost-of-living rise for everyone with more than two years' service.

Four-star generals and admirals would get an additional 423 dollars and 60 cents a month, making a yearly salary, including allowances, of 24,093 dollars — more in line with top executives in industry.

Many higher grade enlisted men would receive raises of more than 100 dollars a month. An Air Force master sergeant, for example, now drawing 261 dollars and 30 cents a month in base pay on 10 years' service, could earn up to 440 dollars monthly plus allowances.

Officers and men serving their initial two years' obligated service generally would receive no increases, although a quirk of the bill would give second lieutenants an additional 70 cents a month.

The plan follows the recommendations of the aforementioned salary study in many respects, but there are these differences:

a. Present retired personnel are excluded from the benefits of the new rates, although past pay raises largely have included them.

b. The new pay rates for enlisted men would go into effect 2 July, but those for officers — above the 6 percent cost-of-living rise — would be spread over 4 boosts within 3 years.

c. The raises for top-ranking officers, while substantial, are lower than those proposed by the salary study.

It also creates two new supergrades for enlisted men, above master sergeant. The Army and Marines are expected to call the new ranks "sergeant major" and "sergeant, first class" — existing ranks with pay equal to master sergeant. Navy and Air Force titles for the supergrades have not been settled.

The ranks of three- and four-star general also would be two new supergrades. Now such officers receive the base pay of a major general plus a special money allowance.

The chart on the opposite page sets forth the proposed changes in the basic pay scales.

25X1

SECRET

25X1

SECRET

25X1

SB-8

## PROPOSED ENLISTED BASIC PAY SCALE

Years of Service in Grade  
Dollars per Month

Pay Grade	0 to 2	2 to 4	4 to 6	6 to 8	Over 8
†E-9 Sergeant Major	400.00	410.00	420.00	430.00	440.00
†E-8 1st Sergeant	350.00	360.00	370.00	380.00	
E-7 Master Sergeant	300.00	310.00	320.00	330.00	
E-6 Sergeant 1st class	250.00	260.00	270.00	280.00	
E-5 Sergeant	210.00	220.00	230.00		
E-4 Corporal	140.00	180.00			
E-3 Private 1st class	99.37	117.00			
E-2 Private (over 4 mo.)	85.80				
E-1 Private (under 4 mo.)	78.00				

## PROPOSED OFFICER BASIC PAY SCALE

Years of Service In Grade

Pay Grade	Entry Pay	1-2	2-3	3-4	4-5	5-6	Over 6
‡O-10 General	1700						
‡O- 9 Lt. General	1500						
*O- 8 Maj. General	1350						
*O- 7 Brig. General	1200						
*O- 6 Colonel	950		*1005		*1065		
*O- 5 Lt. Colonel	710		* 750		* 795		*840
O- 4 Major	530		560		595		630
O- 3 Captain	420	432	445	458	471	485	500
O- 2 1st Lieutenant	335	345	355	365	375		
O- 1 2nd Lieutenant	223	244	268				

\*Includes "active duty pay supplementals," paid only to active duty officers and not to retired personnel or reservists in training for less than 30 days, amounting to: O-5, 50; O-6, 100; O-7, 100; O-8, 50.

†Proposed new ranks.

‡Proposed new pay grades.

(Military personnel on active duty receive rental, subsistence and other allowances in addition to basic pay.)

SECRET

5

25X1

SB-8

SECRET

25X1

It's a fact! You can gain up to 30 percent more filing space by following these tips:

- Use heavy-duty pressboard folders only if lighter weight kraft ones would have to be replaced during the active life of the files. A heavy-duty folder requires over three times as much space as a kraft folder and costs 23 cents more.
- Use file fasteners mainly for case or project files. Use loose filing whenever you can. It requires less space and up to 50 percent less time.

Fasteners and heavy-duty folders eat up filing space. The chart below shows what can happen in a typical file.

**WHAT HAPPENS WHEN YOU USE  
FASTENERS AND HEAVY-DUTY  
PRESSBOARD FOLDERS**

(Assuming each folder  
holds about  $\frac{1}{3}$ " of material)

	NO. OF DRAWERS REQUIRED
300 lighter weight folders, no fasteners . . . . .	4
300 lighter weight folders, one fastener . . . . .	$4\frac{1}{3}$
300 pressboard folders, no fasteners . . . . .	$4\frac{3}{4}$
300 pressboard folders, one fastener . . . . .	$5\frac{9}{10}$
300 pressboard folders, two fasteners . . . . .	7

This comparison does not imply that visible-card files should not be used. On the contrary, visible-filing systems, with their many advantages for posting, signaling, and rapid reference, do have a definite place in today's modern offices. The point is simply this — the need for a visible system should be carefully weighed against the additional costs for equipment and space.

The demand for greater efficiency, and increasing curbs on space, have brought forth many improvements in card-filing equipment. In particular, units are more compact to bring more records within reach of the clerk and to reduce the outlay for space and equipment. One of these units may be the answer to your problem. See your Records Officer or contact the Records Management Staff for advice.

\* \* \* \* \*

Future articles in this series will give you more help in relieving today's space problems and will provide standards for better space utilization in the new building.

**USE THE RIGHT TYPES OF CARD-FILING  
EQUIPMENT**

For instance, a 1,200-card visible-index safe cabinet takes up about six sq. ft. of floor space and costs about 440 dollars. In comparison, the tray shown in the next column holds the same number of cards, can be stored in a file drawer, and costs only about 5 dollars. Building Supply Rooms have these trays for different card sizes.

**EMPLOYEE BENEFITS**

Next month we will publish a special issue of the Support Bulletin, devoted exclusively to employee benefits, which will cover such things as widows' benefits, retirement, medical and insurance coverage, and welfare funds. This Bulletin will be widely distributed and should be retained for future reference.

SECRET

25X1

SECRET

[redacted] SB-8

### THE MILITARY RESERVE FORCES

All employee reservists in the Organization have now been classified into mobilization categories and this information furnished to the military services. The article "Military Reserve Status Information" in the February 1957 issue of this bulletin describes these categories. Employee reservists may now ascertain their mobilization category from their administrative or personnel officers in the Organization.

This classification program is tied in with current legislation applying to the reserves, particularly the Reserve Forces Act of 1955. This Act requires the Services to maintain a constant screening of the Reserve Forces to eliminate from the Ready Reserve all individuals who are not immediately available for active duty in event of emergency. The Ready Reserve is designed to meet the augmentation requirements of the Military Services in a brush-fire type of emergency or during the early phases of a war or general mobilization. It, therefore, includes all of the organized portion of the Reserve Forces and is to be kept in an advance state of readiness. The Standby Reserve, on the other hand, is essentially a non-organized pool from which the experienced personnel needed for the secondary phases of a war or general mobilization would be obtained through a process of selective service.

The Ready Reserve is liable to be ordered to active duty in case of war or national emergency when proclaimed by the President as well as when declared by the Congress. In the case of an emergency proclaimed by the President, however, Congress has reserved the right to determine the number to be called. The statutory limit of the Ready Reserve is now 2,900,000 including members who are serving on extended active duty with the Regular Forces. Members of the Ready Reserve are expected to attend regularly scheduled drills when possible in addition to annual periods of active duty for training, and are eligible to receive pay for this participation. Reservists who no longer have a statutory obligation to remain in the Ready Reserve are

required by their service to sign an affidavit agreeing to continue as a Ready Reservist for a stated minimum period.

The Standby Reserve is subject to active duty only in time of war or national emergency declared by the Congress, and under the present concept none of its members, even at such times, will be ordered to active duty until the Selective Service System has determined whether the Standby Reservist is more essential to the defense effort in the military service or in his civilian pursuit. In other words, although Standby Reservists remain subject to military control under appropriate conditions, Selective Service determines their availability for military service. Members of the Standby Reserve who perform Reserve training or complete required correspondence courses are entitled to the award of retirement and promotion-point credits just as are members of the Ready Reserve. They will not be paid for such participation, however, nor will they be eligible to receive pay for periods of active duty for training.

Organization reservists overseas who have received a Selective Service Reserve Questionnaire should fill it out as fully as possible, sign it and return through channels to headquarters. When the individual receives notification of his Selective Service System category, he should advise his administrative or personnel officer in order that this information may be included in his Official Personnel Folder.

### GIMMICK ATTACHED TO PAY PLAN

The Administration's new Federal employee pay-raise plan includes a gimmick designed to make grade-to-grade promotions more attractive to the Classified employees who win them.

Here's the plan:

All Classified grades except GS-18 have several within-grade pay steps thru which employees advance on a seniority basis. And all except GS-16, 17, and 18 have 3 longevity grades for employees with extra-long service in particular grades.

SECRET

[redacted] 25X1

SB-8

SECRET

25X1

The top steps of many grades overlap the lower steps of the next higher grades.

Accordingly, under present law, when an employee is promoted from one grade to another, his new salary must be at least one within-grade step greater than his old — provided this doesn't involve assigning him to a longevity step.

Under the Administration's plan, his new salary would have to be at least two steps greater. If necessary to insure this, the employee could be assigned to a longevity step of his new grade.

#### CREDIT UNION ANNUAL MEETING

The Credit Union held its 10th Annual Meeting on 21 January 1958 to declare dividends and elect officers and various committee members.

The Board of Directors, conscious of the true non-profit policy of Credit Unions in general, recommended the highest possible dividend of 4.5 percent, conforming with sound Credit Union management practices. This was readily accepted by unanimous consent of the members. The president of the Credit Union reported that, although there have been many policy and bylaw changes in the past years consisting mostly of liberalized loan policies and limits on share deposits, the year 1957 showed a healthy growth with no major changes.

The Credit Union, which was organized in December 1947, has had its growing pains. Reaching its first million in assets in 1952, it has now grown to a strong 4.5 million dollars in assets. Among approximately 175 Credit Unions in the Metropolitan area, we are one of the largest. The Board of Directors and the members of the various Credit Union Committees deserve much credit for their work in building up the Credit Union. These Organization officials have accepted

these responsibilities as extra-duty activities and receive no remuneration for the many hours devoted to the Credit Union.

#### THE NATIONAL DEFENSE EXECUTIVE RESERVE

An Executive Reserve, which will be available to supplement the top staff of our Organization in the event of emergency, is now organized. This civilian program, which is governmentwide, has progressed considerably since it was first described in the September-October issue of this bulletin.

Twenty-three individuals have been approved by the Director for service as Executive Reservists. The Reserve Unit in the Organization at this time is made up of, although not limited to, consultants and former employees. It is composed of leaders from all parts of the country. They are experienced executives and professionals from industry and private institutions who have agreed in peacetime to give their time for participation in periodic training and in the testing of mobilization plans during emergency exercises and in wartime for full-time employment.

It is of interest that fifteen Government departments and agencies have established Executive Reserve Units having a combined membership of approximately 1,000 Executive Reservists. These are outstanding executives and administrators from all parts of the country; from large and small industries; from the professions, labor, agriculture and public and private institutions. It is anticipated that there will be approximately 2,500 Reservists designated by 1 July 1958.

The Secretary of Commerce and the Director, Office of Defense Mobilization sponsored a two-day conference of National Defense Executive Reservists which was attended by 1,300 persons. The President, the Vice President, the Secretary of State, the Secretary of Defense and other high-ranking officials spoke to the group.

25X1

SECRET

11

SECRET

25X1

SB-8

## INCOME TAX RETURNS

(Reporting of Travel and Reimbursable Expenses)

There has been a good deal of interest in the recent announcements by the Commissioner of Internal Revenue on reporting of travel and reimbursable expenses on your U. S. Individual Income Tax returns. The new (1957) tax forms now provide a special line, item 6(a), on page 1 for these expenses. After first indicating that compliance would be expected, the Commissioner later stated that the taxpayer would not be expected to report line 6(a) information for 1957. However, he made it clear that the information would be expected and the requirement enforced for 1958. You may want to know how this affects you personally.

Actually, there is no change in the Tax Code or the regulations. As an employee, you are expected to add to your gross income any payments you receive for travel or per diem. You should then itemize the actual expenses and enter the total on line 6(a) on page 1 of Form 1040. The difference between actual expense and the amount you have received will thus be reflected as either additional taxable income or deduction from gross income in reaching your adjusted gross income. Any deduction here would not affect your right to take a standard deduction in lieu of itemizing your personal deductions on page 2 of the return.

In the case of many Organization personnel, security considerations have probably pre-

vented itemized accounting. Coupled to this has been the practical aspect that reimbursement seldom if ever resulted in added taxable compensation, and any excess available as a deduction has generally been negligible. So the result more often than not, we suspect, was the omission of this information. And seldom was this omission remarked by Internal Revenue. The picture has now changed.

While the crackdown is probably aimed mainly at the high-expense-account employee in private industry, there is no doubt that Government employees fall within the technical requirements. Just how it will affect employees of this Organization is not yet clear. So far, the people in the Internal Revenue Service continue to understand our difficulties in providing itemized travel and other operational expenses. At the same time, they are not yet sure how much force they will be expected to exert. Congressional reaction may influence the situation too.

For the moment, it would seem desirable for everyone who can do so without undue risk to security to keep a fairly specific tax diary. Then if, at the end of the year, the information is required and can be safely provided, it will be accurate. In the meantime, every effort will be made to reach a firm understanding with the Internal Revenue Service on the application of this requirement to the various classes of Organization personnel.

SECRET

12

25X1

25X1  
SECRET



KEY

✓ On the job 8 hrs.    A-Annual Leave    S-Sick Leave    W-LWOP    C-Compensatory Time Off  
M-Military Leave    J-Jury Leave    O-Overtime    H-Holidays     Saturdays and Sundays

NOTE: Your Leave Year started on Jan. 12, 1958 and will end Jan. 10, 1959.

Employees desiring to keep an accurate record of their Annual and Sick Leave may find the above chart useful.

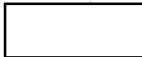
The "H" is for holiday and the heavy black lines set off Saturdays and Sundays, nonwork days for most employees.

You earn Annual Leave on the following schedule: 4 hours for each of the 26 pay periods, or 13 days a year, during your first 3 years of service; 6 hours per pay period, or 20 days, if you have between 3 and 15 years of service (you'll get 10 hours for the last pay period, to round out your 20 days), and you'll get 8 hours, or 26 days, if you have 15 or more years of service.

Sick Leave is the same for everyone, 4 hours each pay period, or 13 days a year, and there is no limit on the amount that can be accumulated. But there are legal limits on the amount of Annual Leave that can be carried over from one year to another. For more detailed information on the accumulation and use of Annual and Sick Leave please consult R and [redacted]

Copies of the chart are available in the Printing Services Division and may be obtained through your administrative channels. Requests must be submitted so as to reach the Printing Services Division by 1 April 1958.

25X1A  
SECRET



Please return  
these proofs

701-234

1250

25X1

SECRET

January-February 1958

SB-8.

# SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS  
AND FIELD PERSONNEL

all try to  
be in red ink

← add

25X1

SECRET

This document is part of an Integrated  
file. If separated from the file it must be  
subjected to individual systematic review.

SB-8 wants to see a  
copy of this before  
distribute OR a page  
3. 2/17/55

25X1

SECRET

## THE CALF-PATH

One day through the primeval wood  
 A calf walked home as good calves should;  
 But made a trail all bent askew,  
 A crooked trail as all calves do.  
 Since then three hundred years have fled,  
 And I infer that calf is dead.  
 But still he left behind his trail,  
 And thereby hangs my moral tale.  
 The trail was taken up next day  
 By a lone dog that passed that way;  
 And then a wise bell-wether sheep  
 Pursued the trail o'er vale and steep,  
 And drew the flock behind him, too,  
 As good bell-wethers always do.  
 And from that day, o'er hill and glade,  
 Through those old woods a path was made.  
 And many men wound in and out,  
 And dodged and turned and bent about.  
 And uttered words of righteous wrath  
 Because 'twas such a crooked path;  
 But still they followed — do not laugh —  
 The first migrations of the calf,  
 And through this winding wood-way stalked  
 Because he wobbled when he walked.  
 This forest path became a lane,  
 That bent and turned and turned again;  
 This crooked lane became a road,  
 Where many a poor horse with his load  
 Toiled on beneath the burning sun,  
 And traveled some three miles in one.  
 And thus a century and a half  
 They trod the footsteps of that calf.  
 The years passed on in swiftness fleet,  
 The road became a village street;

And this, before men were aware,  
 A city's crowded thoroughfare.  
 And soon the central street was this  
 Of a renowned metropolis;  
 And men two centuries and a half  
 Trod in the footsteps of that calf.  
 Each day a hundred thousand rout  
 Followed this zigzag calf about  
 And o'er his crooked journey went  
 The traffic of a continent.  
 A hundred thousand men were led  
 By one calf near three centuries dead.  
 They followed still his crooked way  
 And lost one hundred years a day;  
 For thus such reverence is lent  
 To well-established precedent.  
 A moral lesson this might teach  
 Were I ordained and called to preach;  
 For men are prone to go it blind  
 Along the calf-paths of the mind  
 And work away from sun to sun  
 To do what other men have done.  
 They follow in the beaten track,  
 And out and in, and forth and back,  
 And still their devious course pursue,  
 To keep the path that others do.  
 They keep the path a sacred groove,  
 Along which all their lives they move;  
 But how the wise old wood-gods laugh,  
 Who saw the first primeval calf.  
 Ah, many things this tale might teach —  
 But I am not ordained to preach.

BY SAM WALTER FOSS

Published in *Personnel Administration*, May 1945

SECRET

SECRET

25X1

SB-8

## LEGISLATION

The Congress reconvened on 7 January; however, some Congressional committees were hard at work prior to that time. Sputniks, missiles, and the general status of scientific developments will naturally be given priority consideration. However, another subject will also be given immediate treatment — Federal pay raises. Some bills were introduced on the first day of this session and, as indicated in previous bulletins, other bills were introduced in the first session.

Two separate articles are included in this issue of the bulletin on the subject of pay raises — one devoted to civilian pay raises and the other to military pay raises. Although it cannot be predicted what bills will succeed or what the increases will be, it is generally agreed that a pay increase for civilian and military personnel will become law during this session.

After weighing all of the factors, the Organization has decided not to submit any career benefit legislation, particularly in the field of retirement, to this session of the Congress.

## CIVILIAN PAY RAISES

This article highlights the main provisions of the Administration's pay plan and compares it with the one proposed by the Senate Civil Service Committee.

### → ADMINISTRATION PLAN

The Administration plan calls for:

- a. An average increase of 6.4 percent for Classified employees.
- b. A new system of merit raises for outstanding Classified employees.
- c. Elimination of the present legal limit on so-called supergrade (GS-16 thru GS-18) jobs in Government.
- d. Elimination of the present limit on a special group of scientists and engi-

neers, hired outside the Classification Act, at salaries ranging from 12,000 dollars to 19,000 dollars.

e. Higher starting salaries for college graduates entering Government in the professional and managerial fields.

f. A new ceiling of 19,500 dollars on Classified pay — as a substitute for the present 16,000 dollars. (The 16,000 dollars is now the single rate for the handful of employees in Grade GS-18. Under the Administration's proposal, GS-18 would have four steps — 18,000 dollars, 18,500 dollars, 19,000 dollars and 19,500 dollars.)

One of the stated aims of the Administration's plan is to make Government careers more attractive to employees in the upper and middle brackets. Thus, it proposes a flat 6 percent increase for Classified workers in Grades GS-1 thru GS-10; 7.5 percent for those in GS-11 thru GS-14; and 12.5 percent in GS-15 thru GS-18.

Said one high Administration official:

"The proposal includes, as a primary objective, more adequate compensation for those whose present salaries are shown to be substantially less than salaries for non-Federal employment when compared with positions of similar responsibility.

"The proposed realignment of the Classified Act pay schedule affects particularly the middle and top bracket levels, which include the thousands of employees in the scientific, engineering, managerial, and other professional categories. . . .

"This realignment will establish greater intergrade differentials in the upper grades, thus eliminating as much as possible the compression which has occurred in those grades in recent years."

The new plan would make GS-7, instead of the present GS-5, the starting salary for college graduates in scientific, professional, and managerial jobs. The Civil Service Commission would determine which jobs started at GS-7.

SECRET

25X1

25X1

SECRET

SB-8

Administration officials, however, told members of Congress in a written statement explaining the new plan:

"This does not mean that the entry level for one profession will be fixed at GS-7 and the entry level for another at GS-5. Nor does it mean that all GS-5 jobs now filled thru the Federal Service Entrance Examination will be reclassified to and recruited at GS-7.

"Many of these GS-5 jobs are clerical, subprofessional, and semimanagerial rather than entry-level professional and managerial jobs, and upward classification of such jobs will not result. . . ."

Present starting pay in GS-5 is 3,570 dollars per year. Beginner scientists and engineers, however, are hired at the top step of GS-5, which is 4,480 dollars. After 6 months service, they advance automatically to the top step of GS-7, which is 5,335 dollars. Under the new plan, beginners in the scientific, professional, and managerial fields would be hired at 4,800 dollars, which is the proposed new bottom step of GS-7.

#### SENATE PLAN

The Senate plan differs with the Administration's plan in that it provides for:

- a. A flat across-the-board increase of 7.5 percent for all employees.
- b. A ceiling of 16,000 dollars on salaries with certain specified exceptions.
- c. A freeze on civilian employment during the calendar quarter beginning 1 October 1957, with some exceptions.
- d. Restrictions on appointments during succeeding calendar quarters, i.e., appointments may not be made to more than one third of the vacancies occurring during the preceding quarter, again with certain exceptions.

One amendment to the Senate Bill would make the increases retroactively effective to 1 October 1957. The chart on the opposite page sets forth the comparison between the present rates and the proposed changes in pay rates for classified employees.

2

#### TRAINING ENROLLMENT INCREASES

Organization employees are continuing to undertake more and more internal training in order to further their careers. In consequence, the Office of Training is offering more courses now than ever before.

Another indication of employees' desire for knowledge is the ever-increasing number of requests for external training. Out of 1200 requests received during 1957, 95 percent were approved, and the trainees are now increasing their qualifications for Organization work by study in new fields or by improving their efficiency in fields in which they had limited knowledge.

These people are building the Organization and will experience the great degree of satisfaction that only personal accomplishment can bring.

#### PROGRESS REPORT

The Language Development Program has completed a year of solid progress.

Results since 4 February 1957 can be summarized simply: Participation in the program ran high and still does; scores of people have set aside their prework and postwork hours for study and classwork; books, tapes, and laboratory facilities have been in such demand that additional facilities have had to be provided; some of the more unusual languages have been introduced into the program; the Language Qualifications Register, result of the tremendous response to the Language Data Record, is currently up-to-date; language proficiency tests for all languages on the awardable list have been scheduled for headquarters personnel whose eligibility for awards occurs during the period of 4 February to 30 June; and the first awards were granted for achievement of awardable levels of proficiency in specific languages.

SECRET

25X1

SB-8

SECRET

25X1

[REDACTED]

This amount by which the rates in the Separation Agreement exceed the administration bill.

The

SECRET

25X1

3

Call "

One column - not two.

Spread columns

& expand to fill same page  
space as text pages.

Wrong arrangement  
see Summary -

SECRET

25X1

SB-8

## MILITARY PAY RAISES

The Administration has proposed a "fundamental" change in the military pay system which would give a large majority of men in uniform a minimum 6 percent pay raise.

A detailed plan to revamp existing pay rates of servicemen has been presented to Congress, basing compensation on merit and skill rather than length of service. Seven out of 10 members of the active forces would benefit.

The plan couples the recommendations of the salary study (made several months ago in the military), aimed at keeping skilled leaders and technicians in service, with a 6 percent cost-of-living rise for everyone with more than two years' service.

Four-star generals and admirals would get an additional 423 dollars and 60 cents a month, making a yearly salary, including allowances, of 24,093 dollars — more in line with top executives in industry.

Many higher grade enlisted men would receive raises of more than 100 dollars a month. An Air Force master sergeant, for example, now drawing 261 dollars and 30 cents a month in base pay on 10 years' service, could earn up to 440 dollars monthly plus allowances.

Officers and men serving their initial two years' obligated service generally would receive no increases, although a quirk of the bill would give second lieutenants an additional 70 cents a month.

The plan follows the recommendations of the aforementioned salary study in many respects, but there are these differences:

a. Present retired personnel are excluded from the benefits of the new rates, although past pay raises largely have included them.

b. The new pay rates for enlisted men would go into effect 2 July, but those for officers — above the 6 percent cost-of-living rise — would be spread over 4 boosts within 3 years.

c. The raises for top-ranking officers, while substantial, are lower than those proposed by the salary study.

It also creates two new supergrades for enlisted men, above master sergeant. The Army and Marines are expected to call the new ranks "sergeant major" and "sergeant, first class" — existing ranks with pay equal to master sergeant. Navy and Air Force titles for the supergrade have not been settled.

The ranks of three- and four-star general also would be two new supergrades. Now such officers receive the base pay of a major general plus a special money allowance.

The chart on the opposite page sets forth the proposed changes in the basic pay scales.

5

25X1

SECRET

25X1

SECRET

SB-8

25X1

## Proposed Enlisted Basic Pay Scale

Years of Service in Grade

Dollars per Month

Pay Grade	0 to 2	2 to 4	4 to 6	6 to 8	Over 8
†E-9 Sergeant Major	\$400.00	\$410.00	\$420.00	\$430.00	\$440.00
†E-8 1st Sergeant	350.00	360.00	370.00	380.00	
E-7 Master Sergeant	300.00	310.00	320.00	330.00	
E-6 Sergeant 1st class	250.00	260.00	270.00	280.00	
E-5 Sergeant	210.00	220.00	230.00		
E-4 Corporal	140.00	180.00			
E-3 Private 1st class	99.37	117.00			
E-2 Private (over 4 mo.)	85.80				
E-1 Private (under 4 mo.)	78.00				

## Proposed Officer Basic Pay Scale

Years of Service In Grade

Pay Grade	Entry Pay	1-2	2-3	3-4	4-5	5-6	Over 6
†O-10 General	\$1700						
†O-9 Lt. General	1500						
†O-8 Maj. General	1350						
*O-7 Brig. General	1200						
*O-6 Colonel	950		*1005		*1065		
*O-5 Lt. Colonel	710		* 750		* 795		*840
O-4 Major	530		560		595		630
O-3 Captain	420	432	445	458	471	485	500
O-2 1st Lieutenant	335	345	355	365	375		
O-1 2nd Lieutenant	223	244	268				

\*Includes "active duty pay supplementals," paid only to active duty officers and not to retired personnel or reservists in training for less than 30 days, amounting to: O-5, \$50; O-6, \$100; O-7, \$100; O-8, \$50.

†Proposed new ranks.

‡Proposed new pay grades.

(Military personnel on active duty receive rental, subsistence and other allowances in addition to basic pay.)

SECRET

5

25X1

SECRET

25X1

SB-8

## DEPUTY DIRECTOR PRAISES LANGUAGE DEVELOPMENT PROGRAM

In addressing the personnel of the Office of Training at its annual Christmas meeting, the Deputy Director has this to say about the Language Development Program:

"One of the most rewarding results of your efforts is seen in the language training program. The word has gotten out about the language incentive program. I understand that over 450 employees are now enrolled in voluntary language programs. This number is above and beyond the approximate 850 enrolled in the regular language programs. The figure is impressive. It still isn't large enough. One of the jobs you have to do next year, in this program, is to provide the guidance to assure that those persons taking language voluntarily are studying the languages which will be in greatest demand by the Organization, both now and in the long run. Guidance to these "volunteers" will have to come from supervisors and from you here in the Office of Training. This guidance will have to be based on a clear appreciation and knowledge of long-range programs and trends. In short, we have the program going. We are developing our pool of linguistic talent. Now, we want to orient it, as appropriate, to fulfill the *defined* requirements of this Organization, both short and long run. The *management* of the training offered can spell success or failure in this effort."

## REVISED FITNESS REPORT

A revised Fitness Report form has been approved by the Organization Career Council. It is planned that copies of this new form will be distributed to the field and headquarters before 30 June of this year.

The new form is contained in one page and places emphasis on the evaluation of the employee's performance in his current position.

It was the consensus of numerous operating and administrative officials that the information recorded in Part II Potential of the present form has never really served to identify employees who are intellectually outstanding or those individuals who have leadership, force, and high potential for growth. With the introduction of the Career Preference Outline we have in being a more practical means of indicating, to the individual concerned as well as to management, the supervisor's judgment regarding the individual's capacity for future development. However, the supervisor who is preparing an evaluation of the employee on the new form may record, when appropriate, an opinion of his potential in the narrative section.

Investigation and inquiries have indicated that a narrative evaluation, when carefully and properly prepared, is the best basis for determining future personnel actions. Provision is made in the new form for a narrative section to be used by the supervisor to add information which will help in describing the individual. Our new system also provides that an evaluation in memorandum form may be substituted for the Fitness Report form for employees in grades GS-14 and above. Previously, only employees at the supergrade level (GS-16, 17, 18) were evaluated in memorandum reports.

Another innovation is the new system for the submission of annual reports. The Council has approved a fixed schedule, based on grade levels, of due dates for annual reports. This means that evaluations on all individuals in the same grade level will be submitted at the same time. This new cycling procedure will save the considerable work now necessary in notifying supervisors of the due date for each report and will assist career boards and panels in consideration of employees for promotions on a competitive basis.

It is anticipated that the new Fitness Report will better assist the supervisors in evaluating the employees under their jurisdictions and better serve the interests of the individuals concerned as well as the interests of the Organization.

SECRET

6

25X1

SB-8

SECRET

25X1

## SUGGESTION AWARDS PROGRAM

The Suggestion Awards Committee at its December 1957 meeting considered 18 suggestions and voted to adopt 17 of these. Awards totaling 910 dollars, ranging from 10 dollars to 355 dollars, were granted. These 17 suggestions represent tangible savings to the Organization of over 12,495 dollars in the first year of adoption, plus many intangible benefits.

Of these 17 suggestion awards, 7 were from one department. This fact reflects credit on the supervisors in that department who improved the quality of the suggestions by stimulating and helping the employees to present their ideas.

One suggester improvised a more accurate way to measure developer solutions in fifty-gallon drums. He attached to large tanks of developer a scale showing graduations in quarts and gallons. He fastened a metallic cable from a cover, floating on the solution, to a marker, riding in a groove on the scale. As the tank filled or emptied, the floating cover changed position, thus changing the position of the marker to indicate the amount of solution left in the tank.

Another suggestion proposed a convenient way to arrest the rusting of printing equipment by spraying the metal with liquid wax.

A suggestion of limited application proposed that hand trucks be equipped with an automatic warning device in the form of a small tumbling bell attached to the wheels.

Still another suggester recommended a water-saver flexible nozzle with a built-in valve, controlled by a spring, which cuts off immediately when water pressure is on. This device is used for filling photographic and photostat tanks to eliminate the waste and slopping of water.

The Committee voted a cash award to one suggester who devised a more efficient way to set type for a certain Table of Contents by making and using a special one dot em matrix. This doubled the speed, prevented running out

of the style of type now used, and cut down errors and frustration of operators.

A cash award also was voted for a recommendation that when a linotypist sets the boldface subheads for a certain publication, he copy the Table of Contents, which is identical to the required subheads, instead of laboriously searching for subheads. A saving of 48 minutes on each 400-page manuscript was estimated.

Another suggester proposed that a slant-back metal viewing board be installed on each layout table, and at the press inspection tables, to hold original copy for comparison viewing. Each board is to be equipped with sufficient permanent magnets to hold copy to this board in an upright position. This idea will not only prevent damage to copy, some of which is borrowed and very valuable, but also save labor time.

Other thoughtful award-winning suggestions facilitated Organization operations.

One suggester proposed the establishment of a uniform abbreviated system for cables to cover headings, addresses, distributions, and other constant indicators. His award was for 355 dollars, based on tangible savings of 11,000 dollars in the first year of adoption plus other intangible benefits. Book Dispatch No. 414, as amended by Book Dispatch No. 446, described this new technique.

Two officers independently suggested amendments to our transmittal dispatch procedures. One suggested abolishing them in certain instances; another proposed a system of packet dispatches for certain situations. For these suggestions, the Committee voted to award 125 dollars to the first suggester and 175 dollars to the second, based on intangible benefits. The product of these suggestions is Form No. 1236 which is already in effective use.

An award of 15 dollars, based on intangible benefits, was paid for a training device which has been adopted in a modified form. This device makes related maps and charts visible when color slides are being shown in darkened rooms.

SECRET

7

25X1

SECRET

25X1

SB-8

## MANAGEMENT TOOLS

### RECORDS MANAGEMENT AND OUR SPACE PROBLEM

Do you have a space problem? More than likely you do if your office is as overcrowded as some.

Have you ever thought, however, that perhaps you have a space problem instead? Here's an Organizational Chart where this was the case.



Thirty-one cabinets were poorly arranged because their weight had to be distributed along main floor beams. The aisle was narrow and there was little work space for persons using the files.

But see what is possible by eliminating the need for so many cabinets.

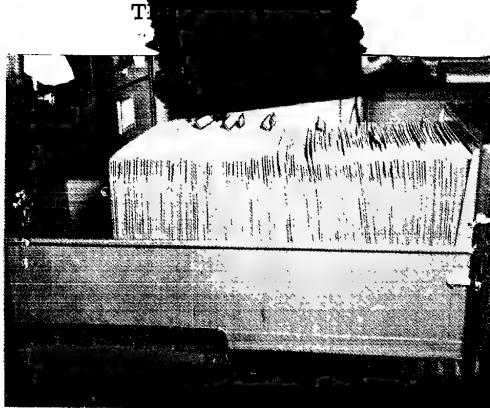


The remaining 26 cabinets were realigned along the walls for quicker reference. A wider aisle increased efficiency. Work space and tables were provided for researchers.

You too can gain more space, perhaps relieve a floor loading problem, or simply keep your present volume of records in bounds.

Here are several ways to do this.

USE THE RIGHT TYPES OF FILE FOLDERS AND GUIDES. IF YOU WANT YOUR FILES TO LOOK LIKE



RECORDS



SECRET

8

25X1

SB-8

SECRET

25X1

It's a fact! You can gain up to 30 percent more filing space by following these tips:

- Use heavy-duty pressboard folders only if lighter weight kraft ones would have to be replaced during the active life of the files. A heavy-duty folder requires over three times as much space as a kraft folder and costs 23 cents more.
- Use file fasteners mainly for case or project files. Use loose filing whenever you can. It requires less space and up to 50 percent less time.

Fasteners and heavy-duty folders eat up filing space. The chart below shows what can happen in a typical file.

WHAT HAPPENS WHEN YOU USE  
FASTENERS AND HEAVY-DUTY  
PRESSBOARD FOLDERS  
(Assuming each folder  
holds about  $\frac{1}{3}$ " of material)

	NO. OF DRAWERS REQUIRED
300 lighter weight folders, no fasteners . . . . .	4
300 lighter weight folders, one fastener . . . . .	$4\frac{1}{3}$
300 pressboard folders, no fasteners . . . . .	$4\frac{3}{4}$
300 pressboard folders, one fastener . . . . .	$5\frac{9}{10}$
300 pressboard folders, two fasteners . . . . .	7

USE THE RIGHT TYPES OF CARD-FILING  
EQUIPMENT

For instance, a 1,200-card visible-index safe cabinet takes up about six sq. ft. of floor space and costs about 440 dollars. In comparison, the tray shown in the next column holds the same number of cards, can be stored in a file drawer, and costs only about 5 dollars. Building Supply Rooms have these trays for different card sizes.

SECRET



This comparison does not imply that visible-card files should not be used. On the contrary, visible-filing systems, with their many advantages for posting, signaling, and rapid reference, do have a definite place in today's modern offices. The point is simply this — the need for a visible system should be carefully weighed against the additional costs for equipment and space.

The demand for greater efficiency, and increasing curbs on space, have brought forth many improvements in card-filing equipment. In particular, units are more compact to bring more records within reach of the clerk and to reduce the outlay for space and equipment. One of these units may be the answer to your problem. See your Records Officer or contact the Records Management Staff for advice.

\* \* \* \* \*

Future articles in this series will give you more help in relieving today's space problems and will provide standards for better space utilization in the new building.

THE MILITARY RESERVE FORCES

All employee reservists in the Organization have now been classified into mobilization categories and this information furnished to

25X1

SECRET

25X1 [REDACTED] SB-8

the military services. The article "Military Reserve Status Information" in the February 1957 issue of this bulletin describes these categories. Employee reservists may now ascertain their mobilization category from their administrative or personnel officers in the Organization.

This classification program is tied in with current legislation applying to the reserves, particularly the Reserve Forces Act of 1955. This Act requires the Services to maintain a constant screening of the Reserve Forces to eliminate from the Ready Reserve all individuals who are not immediately available for active duty in event of emergency. The Ready Reserve is designed to meet the augmentation requirements of the Military Services in a brush-fire type of emergency or during the early phases of a war or general mobilization. It, therefore, includes all of the organized portion of the Reserve Forces and is to be kept in an advance state of readiness. The Standby Reserve, on the other hand, is essentially a non-organized pool from which the experienced personnel needed for the secondary phases of a war or general mobilization would be obtained through a process of selective service.

The Ready Reserve is liable to be ordered to active duty in case of war or national emergency when proclaimed by the President as well as when declared by the Congress. In the case of an emergency proclaimed by the President, however, Congress has reserved the right to determine the number to be called. The statutory limit of the Ready Reserve is now 2,900,000 including members who are serving on extended active duty with the Regular Forces. Members of the Ready Reserve are expected to attend regularly scheduled drills when possible in addition to annual periods of active duty for training, and are eligible to receive pay for this participation. Reservists who no longer have a statutory obligation to remain in the Ready Reserve are required by their service to sign an affidavit agreeing to continue as a Ready Reservist for a stated minimum period.

The Standby Reserve is subject to active duty only in time of war or national emergency declared by the Congress, and under the present concept none of its members, even at such times, will be ordered to active duty until the Selective Service System has determined whether the Standby Reservist is more essential to the defense effort in the military service or in his civilian pursuit. In other words, although Standby Reservists remain subject to military control under appropriate conditions, Selective Service determines their availability for military service. Members of the Standby Reserve who perform Reserve training or complete required correspondence courses are entitled to the award of retirement and promotion-point credits just as are members of the Ready Reserve. They will not be paid for such participation, however, nor will they be eligible to receive pay for periods of active duty for training.

Organization reservists overseas who have received a Selective Service Reserve Questionnaire should fill it out as fully as possible, sign it and return through channels to headquarters. When the individual receives notification of his Selective Service System category, he should advise his administrative or personnel officer in order that this information may be included in his Official Personnel Folder.

#### EMPLOYEE BENEFITS

We have received several requests for articles on the various benefits programs available to employees. We are planning to publish next month a special issue of the Support Bulletin, which will be devoted exclusively to this subject. The issue will cover such things as widows' benefits, retirement, medical and insurance coverage, and welfare funds. It is intended that this Bulletin be widely distributed and retained for future reference. Changes in these programs will be reported as they occur.

SECRET

25X1 [REDACTED]

↑  
Use shortened  
version here  
on bottom of p.

Next month we will  
publish a special issue  
of the Support Bulletin  
devoted exclusively  
to employee benefits  
and insurance coverage.

SB-8

SECRET

25X1

## INCOME TAX RETURNS

(Reporting of Travel and Reimbursable Expenses)

There has been a good deal of interest in the recent announcements by the Commissioner of Internal Revenue on reporting of travel and reimbursable expenses on your U. S. Individual Income Tax returns. The new (1957) tax forms now provide a special line, item 6(a), on page 1 for these expenses. After first indicating that compliance would be expected, the Commissioner later stated that the taxpayer would not be expected to report line 6(a) information for 1957. However, he made it clear that the information would be expected and the requirement enforced for 1958. You may want to know how this affects you personally.

Actually, there is no change in the Tax Code or the regulations. As an employee, you are expected to add to your gross income any payments you receive for travel or per diem. You should then itemize the actual expenses and enter the total on line 6(a) on page 1 of Form 1040. The difference between actual expense and the amount you have received will thus be reflected as either additional taxable income or deduction from gross income in reaching your adjusted gross income. Any deduction here would not affect your right to take a standard deduction in lieu of itemizing your personal deductions on page 2 of the return.

In the case of many Organization personnel, security considerations have probably prevented itemized accounting. Coupled to this has been the practical aspect that reimbursement seldom if ever resulted in added taxable compensation, and any excess available as a deduction has generally been negligible. So the result more often than not, we suspect, was the omission of this information. And seldom was this omission remarked by Internal Revenue. The picture has now changed.

While the crackdown is probably aimed mainly at the high-expense-account employee in private industry, there is no doubt that Government employees fall within the technical

requirements. Just how it will affect employees of this Organization is not yet clear. So far, the people in the Internal Revenue Service continue to understand our difficulties in providing itemized travel and other operational expenses. At the same time, they are not yet sure how much force they will be expected to exert. Congressional reaction may influence the situation too.

For the moment, it would seem desirable for everyone who can do so without undue risk to security to keep a fairly specific tax diary. Then if, at the end of the year, the information is required and can be safely provided, it will be accurate. In the meantime, every effort will be made to reach a firm understanding with the Internal Revenue Service on the application of this requirement to the various classes of Organization personnel.

## GIMMICK ATTACHED TO PAY PLAN

The Administration's new Federal employee pay-raise plan includes a gimmick designed to make grade-to-grade promotions more attractive to the Classified employees who win them.

Here's the plan:

All Classified grades except GS-18 have several within-grade pay steps thru which employees advance on a seniority basis. And all except GS-16, 17, and 18 have 3 longevity grades for employees with extra-long service in particular grades.

The top steps of many grades overlap the lower steps of the next higher grades.

Accordingly, under present law, when an employee is promoted from one grade to another, his new salary must be at least one within-grade step greater than his old — provided this doesn't involve assigning him to a longevity step.

SECRET

11

SECRET

25X1

SB-8

Under the Administration's plan, his new salary would have to be at least two steps greater. If necessary to insure this, the employee could be assigned to a longevity step of his new grade.

#### CREDIT UNION ANNUAL MEETING

The Credit Union held its 10th Annual Meeting on 21 January 1958 to declare dividends and elect officers and various committee members.

The Board of Directors, conscious of the true non-profit policy of Credit Unions in general, recommended the highest possible dividend, of 4.5 percent, conforming with sound Credit Union management practices. This was readily accepted by unanimous consent of the members. The president of the Credit Union reported that, although there have been many policy and bylaw changes in the past years consisting mostly of liberalized loan policies and limits on share deposits, the year 1957 showed a healthy growth with no major changes.

The Credit Union, which was organized in December 1947, has had its growing pains. Reaching its first million in assets in 1952, it has now grown to a strong 4.5 percent million dollars in assets. Among approximately 175 Credit Unions in the Metropolitan area, we are one of the largest. The Board of Directors and the members of the various Credit Union Committees deserve much credit for their work in building up the Credit Union. These Organization officials have accepted these responsibilities as extra-duty activities and receive no remuneration for the many hours devoted to the Credit Union.

#### THE NATIONAL DEFENSE EXECUTIVE RESERVE

An Executive Reserve, which will be available to supplement the top staff of our Organization in the event of emergency, is now organized. This civilian program, which is governmentwide, has progressed considerably since it was first described in the September-October issue of this bulletin.

Twenty-three individuals have been approved by the Director for service as Executive Reservists. The Reserve Unit in the Organization at this time is made up of, although not limited to, consultants and former employees. It is composed of leaders from all parts of the country. They are experienced executives and professionals from industry and private institutions who have agreed in peacetime to give their time for participation in periodic training and in the testing of mobilization plans during emergency exercises and in wartime for full-time employment.

It is of interest that fifteen Government departments and agencies have established Executive Reserve Units having a combined membership of approximately 1,000 Executive Reservists. These are outstanding executives and administrators from all parts of the country; from large and small industries; from the professions, labor, agriculture and public and private institutions. It is anticipated that there will be approximately 2,500 Reservists designated by 1 July 1958.

The Secretary of Commerce and the Director, Office of Defense Mobilization sponsored a two-day conference of National Defense Executive Reservists which was attended by 1,300 persons. The President, the Vice President, the Secretary of State, the Secretary of Defense and other high-ranking officials spoke to the group.

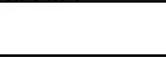
12

SECRET

25X1

SECRET

25X1



KEY

✓ On the job 8 hrs. A-Annual Leave S-Sick Leave W-WIOP C-Compensatory *Time Off*  
M-Military Leave J-Jury Leave O-Overtime H-Holidays *Leave*  Saturdays and Sundays *fall face*

NOTE: Your Leave Year started on Jan. 12, 1958 and will end Jan. 10, 1959.

Employees desiring to keep an accurate record of their Annual and Sick Leave may find the above chart useful.

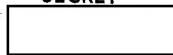
The "H" is for holiday and the heavy black lines set off Saturdays and Sundays, nonwork days for most employees.

You earn Annual Leave on the following schedule: 4 hours for each of the 26 pay periods, or 13 days a year, during your first 3 years of service; 6 hours per pay period, or 20 days, if you have between 3 and 15 years of service (you'll get 10 hours for the last pay period, to round out your 20 days), and you'll get 8 hours, or 26 days, if you have 15 or more years of service.

Sick Leave is the same for everyone, 4 hours each pay period, or 13 days a year, and there is no limit on the amount that can be accumulated. But there are legal limits on the amount of Annual Leave that can be carried over from one year to another. For more detailed information on the accumulation and use of Annual and Sick Leave please consult R

Copies of the chart are available in the Printing Services Division and may be obtained through your administrative channels. Requests must be submitted so as to reach the Printing Services Division by 1 April 1958.

SECRET



25X1A

25X1